



John Bryant  
Chairman of the Board  
Chief Executive Officer

May 2, 2016

The Honorable Mike Nofs, Chairman  
Senate Energy and Technology Committee  
P.O. Box 30036  
Lansing, Michigan 48909 -7536

RE: SB 437—Energy Choice

Dear Chairman Nofs:

For more than 100 years, Kellogg Company has been proud to call Michigan home. We take great pride in our heritage, and we are passionate about taking care of our employees, consumers and communities.

As leaders in the Michigan business community, we are concerned about the detrimental impact that moving Michigan to a utility duopoly supply will have on ratepayers and retail open access customers, including schools, manufacturers, hospitals and competitive suppliers in the state. As you know, we expressed our opposition to the previous version of SB 437, and we do not believe the current revision adequately addresses our concerns. We thereby oppose SB 437 as currently drafted, as it will not meaningfully preserve retail open access.

Kellogg is currently purchasing electric generation service from an alternative energy supplier. Under this legislation, Kellogg's alternative electric supplier would be forced to make costly and unnecessary capacity purchases in order to continue to have a license to serve customers in Michigan. The capacity purchasing requirement in SB 437 will eliminate millions of dollars in savings that Kellogg currently realizes by leveraging the open market through our strategic sourcing process in procurement. Prohibiting free and fair competition by forcing an in-state duopoly of sellers will eliminate choice. Furthermore, Kellogg and other customers purchasing electric generation service from an alternative electric supplier would be required to make immediate decisions about our energy services that will last for more than a decade.

We call on you, as well as members of the Energy Committee, to work collaboratively with businesses to maintain electric choice while meaningfully preserving resource adequacy for companies in Michigan. Further, we are also concerned that, if passed, this law would potentially have an impact on jobs throughout the state and make Michigan less competitive.